



The Global CEO Advisory Firm



The criticality of digital in COVID-19 recovery

April 2020

Introduction

COVID-19 is now the single biggest factor accelerating the push to digital. How successfully organisations are able to respond in the coming weeks and months may determine their future for the long haul.

The changes COVID-19 is bringing to both our immediate working patterns and more permanent behavior will **accelerate the digital agenda from 4 perspectives**



Customer

With consumers' buying habits changing and fundamental shifts in attitudes towards travel and physical assembly, digital innovators will strengthen market positioning and pick up demand previously fulfilled by companies that have been slow to embrace digital and now might face an existential threat



Employee

Every company will engage a significant proportion of its employees remotely using digital channels, navigating new issues around morale, motivation, productivity and cyber security



Cost

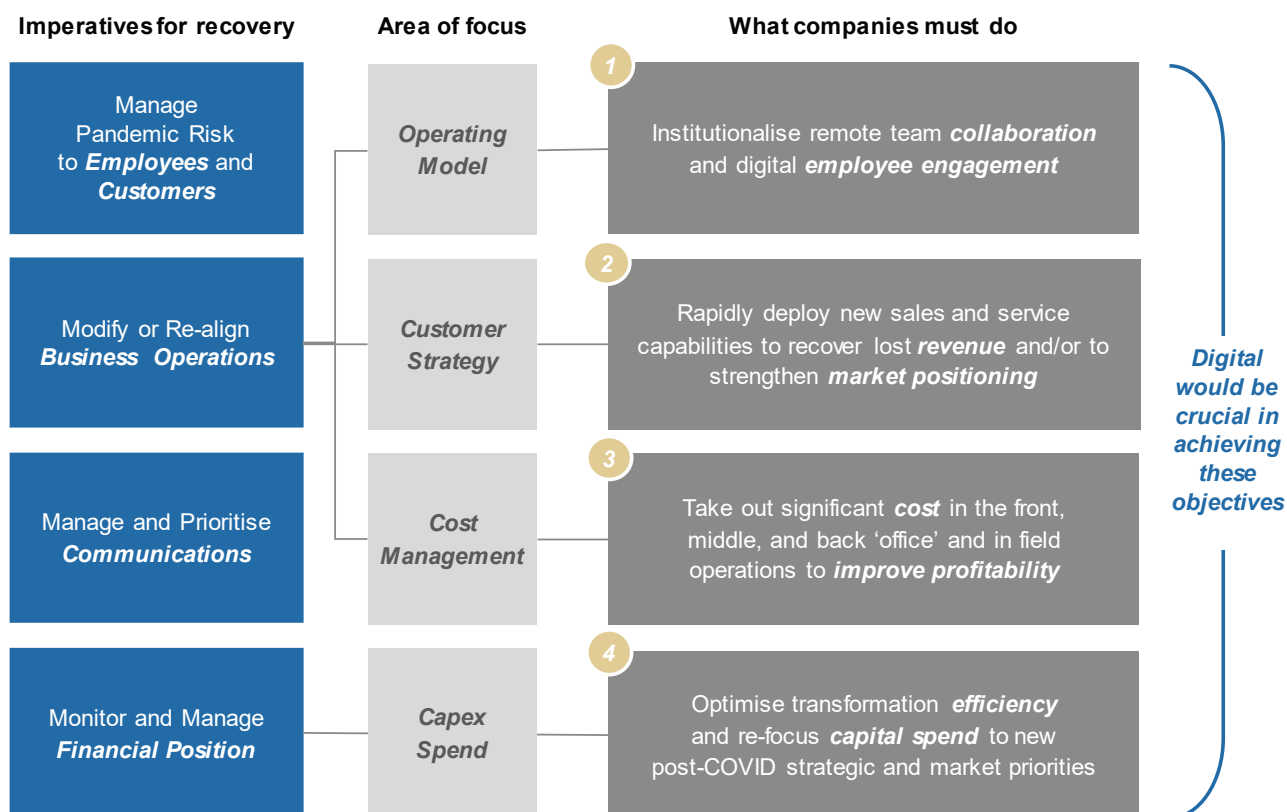
Every company will look to take out significant costs from operations leveraging digital automation



Digital capital spend

Companies will re-focus digital transformation spend towards new/post-COVID strategic and market priorities, and trim previously relevant nice-to-have initiatives

Accelerating recovery means businesses will need to plan for and initiate a series of actions to address the impact of the crisis on **people, financials and operations**



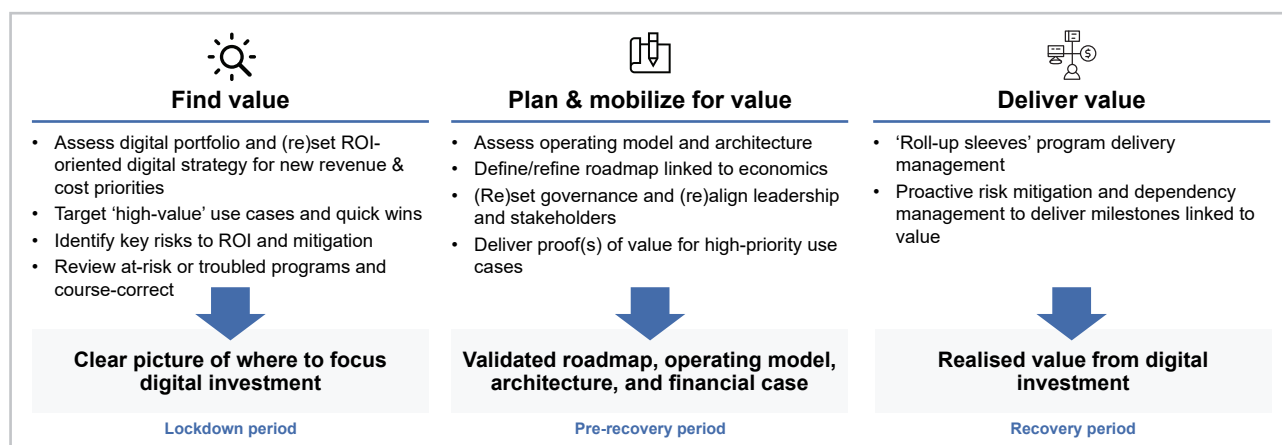
The value that digital interventions can drive

Companies can strategically leverage digital capabilities to address productivity, cost, revenue, and capital efficiency issues in COVID-19 recovery

| What companies must do | Key digital interventions ¹ | Value impact ¹ |
|---|---|---|
| 1 Institutionalise remote team collaboration and digital employee engagement | <ul style="list-style-type: none"> Digital collaboration solutions to improve team working and staff productivity Digital workplace solutions to improve employee experience and engagement Cyber security solutions to secure remote working |  5-10% WORKFORCE PRODUCTIVITY |
| 2 Rapidly deploy new sales and service capabilities, to recover lost revenue and/or to strengthen market positioning | <ul style="list-style-type: none"> New digital sales and service channels to increase customer base and reduce churn Improved micro-segmenting with enhanced data/analytics to increase wallet share AI-led stock-out and lost sales prediction through real-time supply chain inventory and field force visibility |  10-15% REVENUE |
| 3 Take out significant cost in the front, middle, and back 'office' and in field operations, to improve profitability | <ul style="list-style-type: none"> Process simplification and automation with bots and AI Analytics-led insight for external spend optimisation IOT, mobility and analytics for field force productivity AI-led predictive asset management and maintenance |  5-20% COST |
| 4 Optimise transformation efficiency and re-focus capital spend to new post-COVID strategic and market priorities | <ul style="list-style-type: none"> Opportunity to re-focus the digital transformation portfolio spend to new objectives and trim 'nice-to-have' initiatives Opportunity to identify and address any ROI risk factors (governance, capability, tech, change, alignment issues) as 70% of digital transformations are typically known to fail |  10-20% CAPITAL EFFICIENCY² |

Next steps

Companies need to review and reset their 'post COVID' digital strategy in line with new strategic and market priorities and utilise the lock down and pre-recovery periods to do this



¹ The specific interventions, extent of value impact and time required to realise the value dependent on company's business model and digital maturity baseline

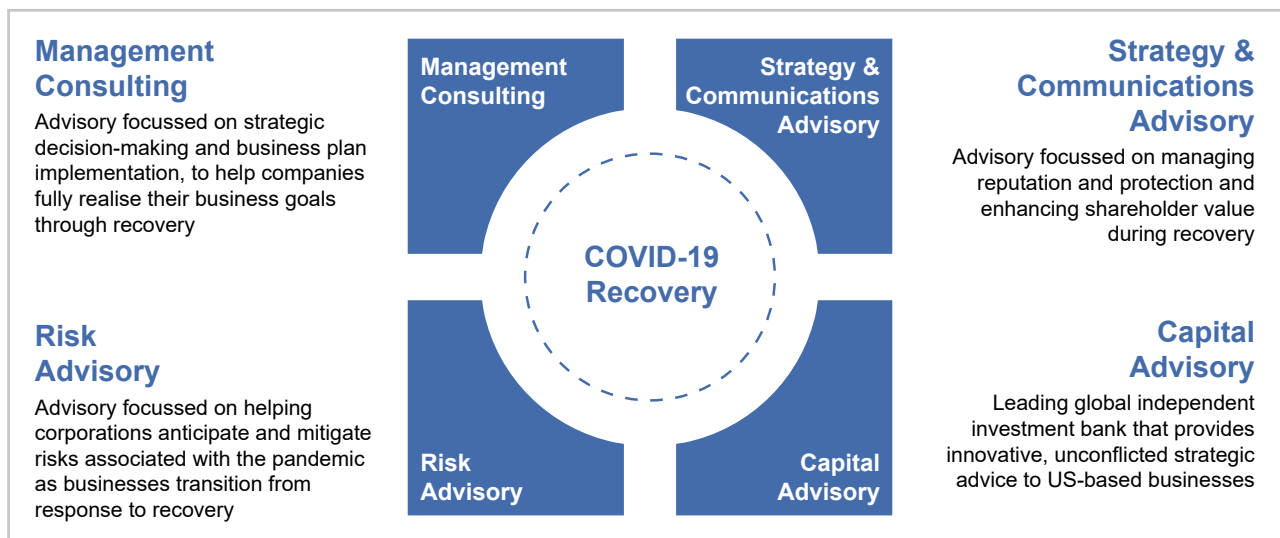
² Capital deployed on digital transformation programs

Source: World Economic Forum; Which; Vivid Economics; INSEAD; Harvard Business School; Teneo research & analysis and experience

About Teneo

Teneo is the global CEO advisory firm, providing strategic counsel to CEOs and senior executives across their full range of key objectives and issues.

Teneo has formed a team of experts from our Security Risk, Geopolitical Risk, Crisis Communications, Investor Relations and Management Consulting businesses that are mobilizing on behalf of clients to help them respond quickly to protect their employees, mitigate the impact of COVID-19 on their businesses, and communicate effectively with all of their stakeholders.



Our team

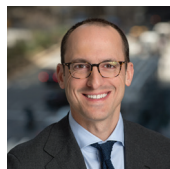


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Suraj leads Teneo's Digital Transformation practice. His global experience spans over two decades and has ranged from strategy and operations, digital advisory to large scale IT-enabled digital/business transformations



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Mark works with C-Suite executives on transformative initiatives. His main experiences have been focussed at the intersection of business transformation and digital experience

Getting in touch

If you would like to talk about any of the content of this publication, please feel free to reach out to us at the contact details shown above. We would be delighted to arrange a call with you to discuss how some of the specific actions detailed might be relevant to your organisation.



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